

# CRESSI Working papers

The CRESSI project explores the economic underpinnings of social innovation with a particular focus on how policy and practice can enhance the lives of the most marginalized and disempowered citizens in society.

CRESSI Working Papers  
No. 25/2015

## **Methodology Report**

By Nadia von Jacobi

ISBN: 978-0-9933861-6-9

CRESSI Deliverable 3.6



*“Creating Economic Space for Social Innovation”  
(CRESSI) has received funding from the European  
Union’s Seventh Framework Programme for research,  
technological development and demonstration under  
grant agreement no 613261.*

## **Summary**

WP3 has produced a number of separate and autonomous deliverables that tackle different components of CRESSI's methodological approach.

This Methodology Report is a final report that synthesizes the work across all tasks of WP3. In particular, it synthetically highlights the CRESSI methodology adopted for measuring social innovation from the Capability Approach. Reference is made to other deliverables produced within WP3.

## Active Involvement of Intended Beneficiaries

CRESSI's analytical scope focuses on how social innovation can potentially reduce marginalisation. Therefore, WP3 has investigated different issues that relate to the ability to *recognise* marginalisation and which methodological approach is best suited to track eventual effects triggered by social innovation.

**Deliverable D3.1.** has investigated scopes of measurement in general and its conclusions remind of a duplex role that methodological approaches to measurement deploy: typically, measurement maintains a notion of description, in which the observation of reality and therefore enhancement of understanding lie at its heart. However, a second, more implicit scope of measurement has a more instrumental nature: measurement can play a fundamental role in reassessing existing power structures. Clearly, both aspects are crucial to enhance our understanding of *which impact* social innovation can have on the marginalised.

*"a narrow focus on linear models of impact creation misses significant issues of power relations and institutional settings. More important is first to establish the purpose of such metrics and to identify who is driving them forward – this analysis exposes key power structures and institutional forces within the social grid that can hinder or enhance effective social impact measurement."* (D3.1, p. 1)

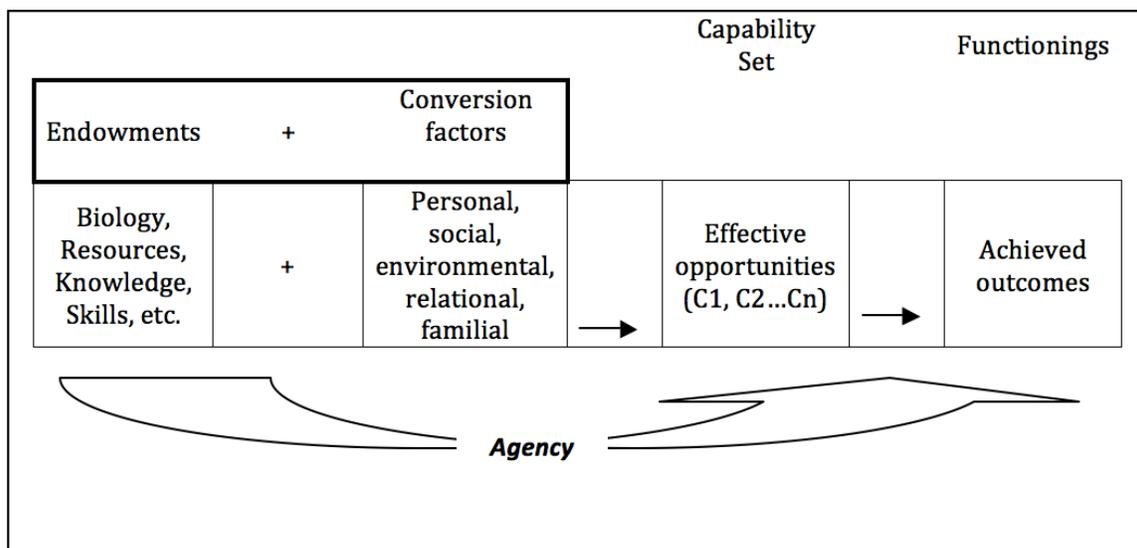
When it comes to social innovation, the perspective adopted in CRESSI therefore reframes the starting point of social impact analysis itself: in line with the definition of social innovation adopted, impact is *deliberative* and relates to the *intended effects* of some sort of action. Such action reflects the interests of actors that are promoting the social innovation process. Social innovation therefore risks not reducing marginalisation at all when the interests promoted through it reflect those of actors that already have resources, control and influence.

**Deliverable D3.1** therefore grounds the necessity for the active inclusion of marginalised actors into the social innovation process: not only in the role of passive beneficiaries of actions - by others designed, but mostly in the role of those actors whose interests are reflected in the precise social need addressed by the social innovation process. Such active involvement of beneficiaries is taken further by underlying the role of *subjectivity* for impact assessment, as the subjective opinion of the intended beneficiaries serves

*"also to generate the most reliable and accurate social impact data, since it is only these populations who can most accurately assess the impact of programs or innovations addressed at them." (D3.1, p. 3)*

Such point of view is consistent with the Capability Approach, which abandons the logic of a single metric (as typical for the assessment of well-being or lack of it). Instead, Amartya Sen highlights the role that *opportunity freedom* plays, in the sense of putting at the centre of attention the opportunity of each single individual to lead a life that *one has reason to value*. Subjectivity here enters as crucial determinant for the analysis of final ends of interventions, actions and innovations.<sup>1</sup>

Figure 1: The Capability Approach, a diagrammatic representation



Source: Chiappero and Venkatapuram 2014 (in D3.5)

**Deliverable D.3.5** has translated the main conceptual milestones of the Capability Approach into methodological footsteps, as a series of methodological challenges rotate around the difficult balance between *subjectivity* and *standardization*:

<sup>1</sup> Subjective views can also reasonably be thought to play a crucial role for *cognitive frames*, one of the three social forces framed in Jens Beckert's *Social Grid* (see various outputs of WP1).

*"advocate standardization in the process of developing social impact indicators and methodologies, rather than in the metrics and units of analysis themselves." (D3.1, p. 3)*

Standardization in process has a double connotation within the results of WP3: on one hand, the capability framework already frames a possible *balance* between subjective life goals and the process that leads to their achievement. The process and its sub-elements are subject to standardization as the complexity of factors that lead to achievements is unpacked into broad categories, namely *resources, conversion factors, capability sets, choices* and linking all together: agency. To Amartya Sen, an individual's agency achievement

*"refers to the realization of goals and values she has reason to pursue, whether or not they are connected with her own well-being". Agency freedom, on the other hand, refers to the potential a person has in order to pursue 'whatever goals or values he or she regards as important' (as in Sen, 1985:206), and again not only those that go to his or her own advantage, as it is in the case of well-being freedom." (D3.5, p. 22)*

On the other hand, CRESSI's methodological WP3 seeks a standardization of methodological choices that allow for comparative studies of social innovation processes and their impacts, across potentially very diverse scopes, actors and contexts of action.

## **Agency**

The first, crucial methodological standardization proposed in WP3 therefore relates exactly to the *subjectivity issue*, which tackles the need to actively involve intended beneficiaries in the evaluation process and can inform about *agency*.

*To the extent that social innovation can contribute to enlarging agency freedom, it may directly reduce marginalization. In a quite circular way, through agency, personal freedom is increased, and through personal freedom the space for agency is enlarged. Agency is therefore a crucial driver for self-realization and for the increase of opportunities that an individual might face. Agency does not only play a role for the single individual, but also for the kick-start of social innovation processes themselves. (D3.5., p. 23)*

Agency - also referred to as *process freedom* by some authors - can in fact also be regarded as the driver for empowerment of specific groups. Therefore, a focus on agency promises that kind of *process standardization* that social innovation analysis seems to require.

Figure 2: Process freedoms logic to interventions and their impact



Source: Ferrero and Zepeda, 2014. (in D3.4)

In line with CRESSI's emphasis on empowerment, [Deliverable D3.2](#) provides training material on financial literacy - deemed to be an essential skill for social innovators and citizens that want to embed social goals into entrepreneurial activities - through the approach of double entry bookkeeping.

Figure 3: Introduction to Double Entry

Loan (D)		Shares (E)		Equip. (A)		Purch. (X)		Sale (I)		Cash (A)	
Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr
	3									3	
			4							4	
				6							6
						1					1
								2		2	

Source: D3.2

The note introduces potential stakeholders to the basic notions of the accounting process and its potential for more innovative use. Therefore, this deliverable represents a real *working tool* for social innovators that are interested in getting empowered from their financial literacy point of view and who seek to integrate non-economic dimensions into the accounting process of their activity.

## Social Innovation

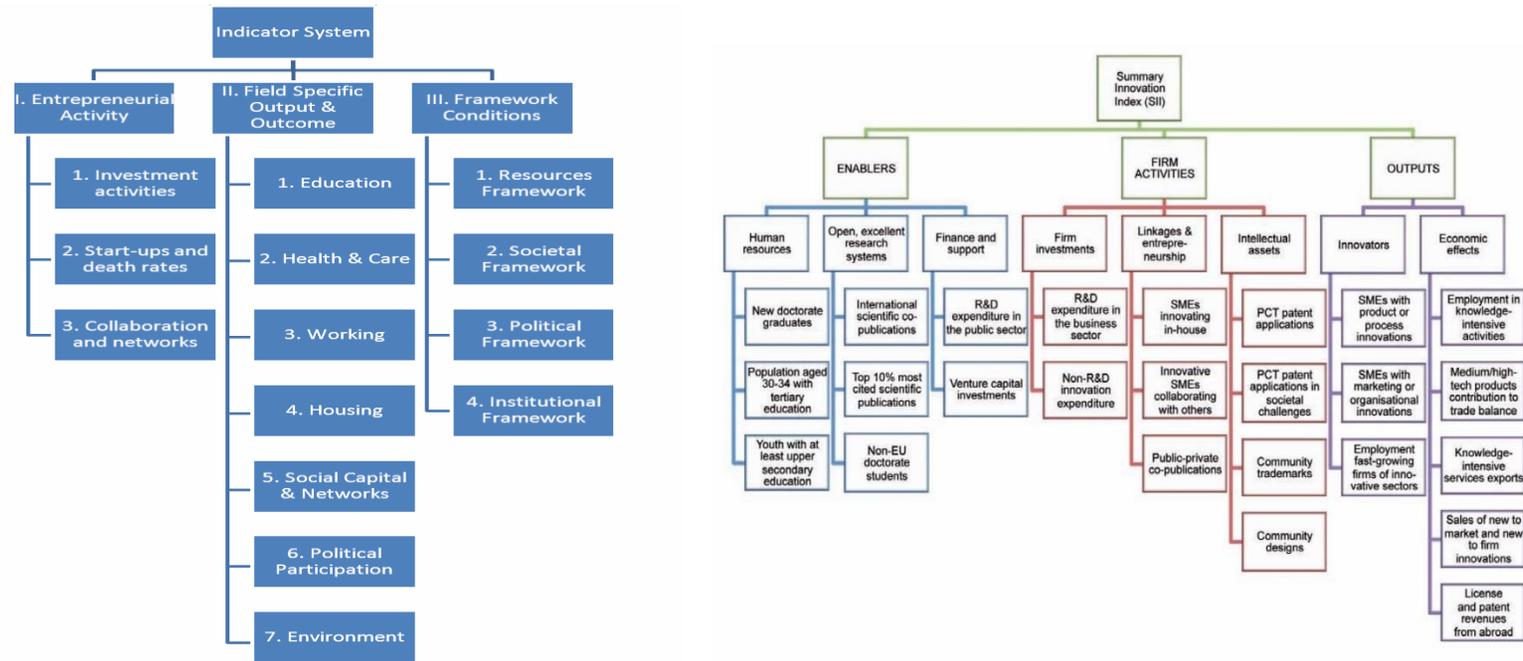
The second attempt of standardization sought for by WP3, is the identification of common characteristics between different social innovations, or - more largely seen - of what constitutes their difference with respect to technological innovation. **Deliverable D3.3.** reviews different economic paradigms dealing with innovation and overviews existing indicators of technological innovation. It highlights to which extent the sub-components of existing indicator systems can be informative for the analysis of social innovation, or not. By analysing the most important sets of indicators used to measure innovation at the micro and the macro level, it helps emphasising the particularities of social innovation.

*"an important difference between technological and social innovation is that the former often leads to actual products and systems (...) social innovation outputs are less tangible and should be related to organisational output and societal outcomes." (D3.3, p.32)*

The comparison between social innovation indicator systems as proposed by TEPSIE and the Innovation Union Scoreboard helps comprehending such differences further: for social innovation processes:

- non-economic dimensions matter much more in terms of framework conditions;
- less clearly identifiable (less formal) actors and organisations are key;
- a more blurred conception of "novelty" is present;
- a more "project"- or meso-level based reality is recognised, which somehow makes aggregations at the macro-level difficult;
- the difficulty to clearly distinguish between innovative inputs, framework conditions and socio-economic impacts - already recognized in technological innovation studies - applies *a fortiori*;
- impacts tend to materialise in the form of organisational, managerial and behavioural changes.

Figure 4: Comparison between social innovation and technological innovation indicator systems



Source: TEPSIE, 2013: 39 and Innovation Union Scoreboard, 2014 (in D3.3)

In line with the findings of [deliverable D3.3](#), the methodological approach for measuring social innovation proposed in the toolkit ([D3.5](#)), distances itself from the elaboration of a rigid composite indicator, but instead proposes a so-called "mobile dashboard approach" within which emergent macro-indicators are observed in parallel and informed by case-specific and adaptable sub-indicators.

Figure 5: Logic of the mobile dashboard approach

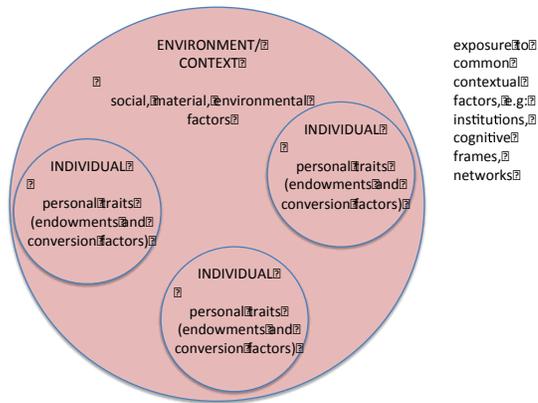
FIRST LEVEL (theoretical comparison)	SECOND LEVEL Specific for each case
	Indicator 1.1
Conceptual dimension 1 (index 1)	Indicator 1.2
	Indicator 1.3
	Indicator 2.1
Conceptual dimension 2 (index 2)	Indicator 2.2
	Indicator 2.3
	Indicator 3.1
Conceptual dimension 3 (index 3)	Indicator 3.2
	Indicator 3.3

Source: D.3.5

## Social Forces

WP3 seeks to operationalise the conceptual framework elaborated by WP1, therefore it includes - among the framework conditions investigated for the social innovation processes - Jens Beckert's social forces. [Deliverable D3.5](#) provides extensive guidelines on how to approach the empirical measurement of networks, institutions and cognitive frames.

Figure 6: Multilevel logic in which individuals are nested in contexts which are characterised by networks, institutions and cognitive frames



Source: von Jacobi, 2014c (in D3.4).

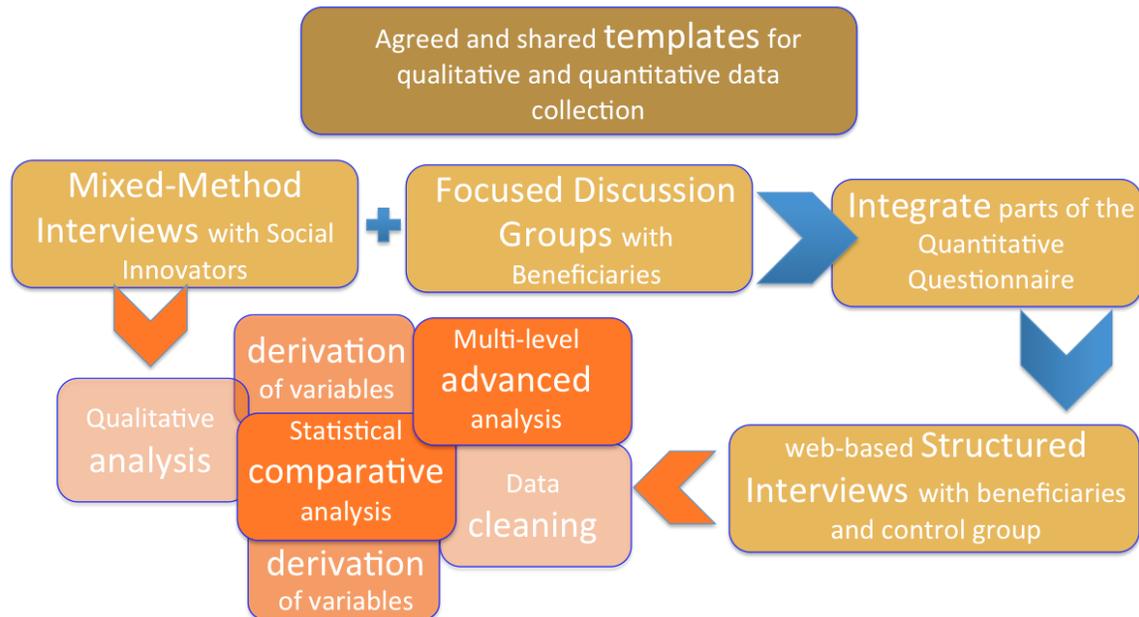
Their role is crucial yet difficult to disentangle, as they - on one hand - serve as conditioning contextual factors for the social innovation process, on the other hand represent a likely object of intended change of the social process itself. **Deliverable D3.4**, which translates conceptual and methodological particularities of CRESSI into an impact evaluation approach, highlights this difference explicitly, by adopting a multi-level logic within its impact analysis and by considering a feedback-loop on social forces within its formal framing of social impact.

*A multi-level impact evaluation that pays attention to the role of the context will therefore firstly identify the amount of variance at the individual level that is attributable to the individual's belonging to a specific context. In a second stage, the introduction of contextual covariates will show which factors, e.g. networks, cognitive frames and institutions, play a more important role in explaining differences in the dependent variable. (D3.4)*

## Impact

WP3 represents a bridge between the elaboration of the conceptual framework adopted in CRESSI (WP1) and its empirical application (WP7), which foresees the collection of new data on social innovation processes. For this scope, the two toolkits elaborated within it: **D3.5** - on methodology and **D3.4** - on impact represent important guidelines for the empirical work that is and will be implemented in WP7. The research design proposed for WP7 has incorporated the findings and suggestions emerged during WP3.

Figure 7: Research design adopted in WP7 for the CRESSI data collection



Source: von Jacobi (2015)

In particular, the empirical approach to capturing the role that social innovation plays in reducing marginalisation is built on the subsequent pillars:

- the combination of qualitative and quantitative methods (see D3.5)
- the elaboration of standardized methods to measure marginalisation, social innovation and social forces through common data collection templates, that however maintain a crucial adaptability to the context of the specific case investigated (see D3.5)
- a multi-level impact logic (see D3.4)

In this sense, the methodological work package WP3 of CRESSI has gone beyond previous efforts - as e.g. in TEPSIE - by focussing its attention on the concrete empirical challenge to collect **new** data, at the micro level, that can inform about the detailed dynamics that link the emergence, the implementation and the impact of a social innovation process. Further results by WP7 and CRESSI in overall will allow evaluation of the proposed approaches.

## References

### Deliverable D3.1:

Nicholls, A. (2015). Synthetic Grid: A critical framework to inform the development of social innovation metrics. CRESSI Working Papers 14/2015. A deliverable of the project: “Creating Economic Space for Social Innovation” (CRESSI), European Commission – 7th Framework Programme, Brussels: European Commission, DG Research and Innovation. [https://www.sbs.ox.ac.uk/sites/default/files/research-projects/CRESSI/docs/CRESSI\\_Working\\_Paper\\_14\\_D3.1\\_10Sept.pdf](https://www.sbs.ox.ac.uk/sites/default/files/research-projects/CRESSI/docs/CRESSI_Working_Paper_14_D3.1_10Sept.pdf)

### Deliverable D3.2:

Houghton Budd, C. (2015). Training Material on Accounting: Accounting, Social Innovation and Finance - Teaching Financial Literacy Using Double Entry Bookkeeping. CRESSI Working Papers 15/2015. A deliverable of the project: “Creating Economic Space for Social Innovation” (CRESSI), European Commission – 7th Framework Programme, Brussels: European Commission, DG Research and Innovation. [https://www.sbs.ox.ac.uk/sites/default/files/research-projects/CRESSI/docs/CRESSI\\_Working\\_Paper\\_15\\_D3.2\\_28Apr.pdf](https://www.sbs.ox.ac.uk/sites/default/files/research-projects/CRESSI/docs/CRESSI_Working_Paper_15_D3.2_28Apr.pdf)

### Deliverable D3.3:

van Beers, C., Havas, A. and Chiappero-Martinetti, E. (2015). Overview of Existing Innovation Indicators. CRESSI Working Papers 24/2015. A deliverable of the project: “Creating Economic Space for Social Innovation” (CRESSI), European Commission – 7th Framework Programme, Brussels: European Commission, DG Research and Innovation. <http://www.sbs.ox.ac.uk/sites/default/files/research-projects/CRESSI/docs/cressi-working-paper-24-d3.3-8-december-2015.pdf>

### Deliverable D3.4:

von Jacobi, N. and Chiappero-Martinetti, E. (2015). Toolkit (Impact). CRESSI Working Papers 26/2015. A deliverable of the project: “Creating Economic Space for Social Innovation” (CRESSI), European Commission – 7th Framework Programme, Brussels: European Commission, DG Research and Innovation. <http://www.sbs.ox.ac.uk/cressi-publications>

### Deliverable D3.5:

von Jacobi, N., Chiappero-Martinetti, E., Giroletti, T., Maestriperi, L. and Ceravolo, F. (2015). Toolkit (Methodology). CRESSI Working Papers 16/2015. A deliverable of the project: “Creating Economic Space for Social Innovation” (CRESSI), European Commission – 7th Framework Programme, Brussels: European Commission, DG Research and Innovation. [http://www.sbs.ox.ac.uk/sites/default/files/research-projects/CRESSI/docs/CRESSI\\_Working\\_Paper\\_16\\_D3.5\\_31Aug.pdf](http://www.sbs.ox.ac.uk/sites/default/files/research-projects/CRESSI/docs/CRESSI_Working_Paper_16_D3.5_31Aug.pdf)

von Jacobi, N. (2015). WP7 Briefing on Research Design. Internal Presentation prepared for the WP7 Training, 9th and 10th of November, 2015.

The CRESSI project explores the economic underpinnings of social innovation with a particular focus on how policy and practice can enhance the lives of the most marginalized and disempowered citizens in society.

“Creating Economic Space for Social Innovation” (CRESSI) has received funding from the European Union’s Seventh Framework Programme for research, technological development and demonstration under grant agreement no 613261. CRESSI is a collaboration between eight European institutions led by the University of Oxford and will run from 2014-2018.

This paper reflects the authors’ views and the European Union is not liable for any use that may be made of the information contained here within.

Contact person: Project Manager: [cressi@sbs.ox.ac.uk](mailto:cressi@sbs.ox.ac.uk)



UNIVERSITÄT  
HEIDELBERG  
ZUKUNFT  
SEIT 1386



CRESSI Working Papers are published by the CRESSI Project and may be downloaded free of charge from the CRESSI website: <http://sbs.oxford.edu/cressi>